

THE REDEVELOPMENT COMMISSION OF THE CITY OF BLOOMINGTON, INDIANA met on Monday, October 4, 2004 at 5:00 p.m. in the Showers City Hall, McCloskey Room, 401 North Morton Street, with President David Walter presiding.

I. ROLL CALL

Commissioners Present: David Walter, John Black, Jerry Hays, John West, and Mike Gentile

Commissioner(s) Absent:

Staff Present: Susie Johnson, Bob Woolford, Lisa Abbott, Marilyn Patterson and Janet Roberts

Other(s) Present: Susan Failey, Assistant City Attorney; Ron Walker, Economic Development Director for the City of Bloomington; Vickie Renfrow, Assistant City Attorney; Bryan Cleaver, Business Incubator; Steve Bryan, Life Sciences Incubator

I. ROLL CALL

II. READING OF THE MINUTES – The minutes for September 13, 2004 were not included in the packet.

III. EXAMINATION OF CLAIMS – John West moved to approve the claims for September 10, 2004 for \$65,746.74 and \$178,944.70. Jerry Hays seconded the motion. The claims were unanimously approved.

IV. REPORT OF OFFICERS AND COMMITTEES

Legal Report.

Vickie Renfrow was in attendance to give the Commissioners an update on the Regester hotel development. She said they should close this week with construction set to begin the first of November.

John Black asked what oversight responsibilities either the Commission or the City has for the progress of this project. Renfrow explained that the Commission is the lessor of the land and the development of the land is subject to conditions in the lease. The development of the project must be consistent with the terms of the lease. Hays asked who has construction oversight responsibilities. Renfrow said the City does not have that responsibility. The hotel developer is responsible for construction oversight – they bid it, they do the construction.

Susan Failey then gave her monthly report stating that she reviewed the CDBG funding agreements which are included in the packet, reviewed documents for a purchase rehab loan, and researched the residency requirements for the loan program.

Hays asked what she found out about the residency requirements. Failey said there are quite a few Supreme Court cases about requiring a durational residency for public benefit programs and durational requirements are not allowed. They distinguish between a durational requirement which requires that someone has to have lived in an area for a period of time before they can apply and a bona fide residence requirement which requires someone to prove they actually live in the area and intend it to be

their permanent home. You are allowed to determine that someone lives in and remain in the area in which they are applying. She did not find anything specific to housing, but for such things as medical. Black asked if the City has any residency requirements for any of its programs. Failey said often a person must be a resident of the City of Bloomington, but we don't have a durational requirement for a period of time before you are able to take advantage of City programs.

Director's Report.

Johnson said they received a lot of good feedback from the first public meeting for the W. Kirkwood streetscape plan. She said an internal meeting with GRW is planned to review the comments and incorporate as many of them as feasible into the plan. Another meeting will be scheduled once changes are made to the plan.

Black suggested since Kirkwood is a major east/west arterial street, we should get input from people from that perspective, not just the neighborhoods.

Johnson was asked if the design for the Kirkwood Streetscape comes back to the Commission for approval. She said it does not. She said the Commissioners have the opportunity to attend the public meetings and give input.

Budget Summary Report

Included in packet.

V. UNFINISHED BUSINESS

A. RESOLUTION 04-20: Approval of American Dream Down Payment and Closing Cost Program Guidelines. Johnson said she e-mailed this document to all the Commissioners to get feedback. She said the adjustments requested were made.

Jerry Hays moved to approve the resolution. John West seconded the motion. (Prior to the discussion and vote on this resolution, John Black stepped out of the room.) Resolution 04-20 was approved by all Commissioners present. **ADOPTED.**

B. RESOLUTION 04-22: Approval of Acquisition Rehab Program Guidelines. Johnson said with the exception of the residency requirement the changes requested by the Commissioners were made to the Acquisition Rehab Guidelines.

John West suggested that in the future when there is an issue as complicated as these guidelines, a work session be set up for discussion of the issue. He said it would eliminate the pressure of discussion and voting at the same meeting. Mike Gentile asked if a work session would need to be a public meeting. Johnson said it would be. Failey said whenever there is a quorum of the Commission it would be a public meeting. Johnson said that would not be a problem.

Black said the following phrase in IA.1 in is unclear as to whether single family residences are all we are doing under this program: "To qualify, a property must meet all the following criteria." Failey said we could insert in IA 1, the following: "The property must be single family residence located within the Bloomington city limits."

After further discussion it was also determined to change IA 2. to read "The after-rehab appraisal can not (instead of may not) exceed . . . Also to change IA 3. to read "The after-rehab appraisal can not exceed (instead of may not) exceed

John West moved to approve the resolution with the aforementioned changes. Mike Gentile seconded the motion. Resolution 04-22 was unanimously approved as amended. **ADOPTED.**

VI. NEW BUSINESS

A. RESOLUTION 04-25: Approval of Certified Technology Park Application. Ron Walker reminded the Commissioners that he had previously discussed the Certified Technology Park (CTP) with them and is now bringing a resolution stating Commission support of the CTP application. The resolution is required by the Department of Commerce which actually approves the application for the creation of the CTP. He explained that a CTP is a district in which the City of Bloomington will capture the incremental growth in payroll and sales taxes. If the CTP is approved, the State will set a base year ending in fiscal year 2004. The base year will look at the total amount of payroll and sales taxes in that year and growth above that amount will come into a special fund that will be under the Redevelopment Commission, similar to a TIF. That is the primary allocation in a CTP; the City would make recommendations on how to spend the funds. These funds are limited to such things as economic development purposes, public facilities including utilities, streets, sidewalks, site development for technology activities, etc. The other source of potential funding for the CTP is grant fund the State has set up for CTP's. Over the life of the park, which is 15 years, the City can apply for up to 4 million dollars in funding. The funding is broken out -- 2 million dollars for capital expenses and 2 million dollars for administration costs of managing the business incubator.

He explained that there are a number of criteria that have to be met to qualify for the CTP designation – the City of Bloomington is meeting all the criteria. The main criteria the City is meeting are: support from a research University (IU), a business incubator (inVenture), the amenities and resources entrepreneurs are looking for in a downtown area, the digital underground. These are major attractions for high-tech firms. Walker said this district is not large, only 87 acres, so we will not attract large companies but it is a good space for starter companies spinning off of IU or small life sciences technology firms. He said they are trying to create a cluster of those types of companies in this district. He also said having the technology park in this area does not preclude another CTP in another location.

Black asked what, if anything, does this keep us from doing that we would have been able had we not designated this area as a CTP. Walker said because we are creating a district that captures the growth, it does not cost the City anything. The designation does not change any zoning, design guidelines, any site criteria the City already has – it doesn't take the place of anything, it merely creates an area where we can collect the incremental taxes and where we can spend the funds. He said it doesn't keep us from doing any other type of development there.

Walker said even though IU is the research university which meets the required criteria for the CTP, he believes Ivy Tech will also be an important partner because they have a new bio-tech degree program and they have expressed an interest in the project. He has added Ivy Tech's support to the application. Another update to a question on the application is that the area is targeted for technology in life sciences business growth.

Walker explained that the City is trying to blanket the downtown with these types of incentives to provide every possible tool to encourage investment and employment in the downtown. The CREED and Tech Park use the same incremental growth therefore you don't want to overlap the boundaries.

Black asked for a definition of an incubator. Brian Cleaver explained that it is a physical facility that houses start up business. The facility can focus on general business or life sciences technology. The businesses are provided shared services to reduce start up cost such as broad

band phone systems, receptionists, conference rooms, as well as business assistance such as consultants and interns. Bryan commended the City for focusing on this area. He said unlike other Cities, Bloomington has looked at the assets and potential of an area within the City. He reiterated that technology companies want cultural amenities; they want to be close to the university, close to downtown, close to restaurants, etc. He sees that as an area with a lot of future potential.

Steve Bryan explained that Life Sciences is the science and those making products or developing services to make medical devices products, diagnostic products, and new drugs. One of the challenges with Life Sciences incubation is that they are money intensive types of ventures because they are in a regulated market and every product must be approved by the FDA, which takes five years. Most of the companies don't have the capital to do that, they need laboratory facilities – they are not your typical type of business you throw into a general incubator. They require security and protection – the types of issues the CTP can address. It's important to capture the increment dollars in order to make the appropriate infrastructure upgrades to address their needs or to do such things as subsidize utility cost in the beginning. Bryan said the CTP is important to have in order to build up these types of companies.

Walker said tonight he is seeking approval of the application. If the application is approved by the State, he will come back to this group because this does not commit any expenses, but will then begin working on the plans for the next 15 years. Walker said if the application is approved by the State, the State will then draft an agreement for approval by the Commission and the City Council. The City will then receive a certificate from the State. The Department of Revenue then knows this area is a tech park and can capture the incremental growth. Gentile asked if the Commission will be required to do anything at that point. Walker said he will come back for the Commission to sign the tech park agreement with the State.

West asked if, as the funds become available, they will be managed in the same way as the TIF funds. Walker said the CTP funds would be in the same way as the TIF funds. West asked how Walker came up with the boundaries of the tech park. Walker said the boundaries follow the commercial general and commercial arterial zoning. In addition residential areas do not generate anything and the area to the east was already in the CREED district and further south is residential. Black asked if the boundaries are amendable. Walker said didn't know for sure, but assumed they were. Gentile agreed that they are amendable once they are established.

Mike Gentile moved to accept the resolution. John Black seconded the motion. Resolution 04-25 was unanimously approved. **ADOPTED.**

Johnson asked that Resolutions 04-27, 28, 30, 31, 32, 33, 34, 35, 36, 37, and 38 be considered as a block. She explained that these are the CDBG Funding Agreements for the 2004 funding year which have been approved through the CAC recommendation process, the Redevelopment Commission, the Mayor, and the City Council. Susan Failey has reviewed all the funding agreements.

B. RESOLUTION 04-26: Approval of Funding Agreement for Bloomington Housing Authority Air Conditioning Project at Walnut Woods. (not included)

C. RESOLUTION 04-27: Approval of Funding Agreement for Stone Belt Arc, Inc. Facility Remodeling Project.

D. RESOLUTION 04-28: Approval of Funding Agreement for Center for Behavioral Health, Inc Facility Remodeling Project.

E. RESOLUTION 04-29: Approval of Funding Agreement with Abilities Unlimited for the Home Modification for Accessible Living (HMAL) Project. (not included)

F. RESOLUTION 04-30: Approval of Funding Agreement for Big Brothers/Big Sisters

One-to-One Program.

G. RESOLUTION 04-31: Approval of Funding Agreement for Boys and Girls Crestmont Program.

H. RESOLUTION 04-32: Approval of Funding Agreement for Community Kitchen Emergency Free Meals Program.

I. RESOLUTION 04-33: Approval of Funding Agreement for Hoosier Hills Food Bank.

J. RESOLUTION 04-34: Approval of Funding Agreement for Martha's House Emergency Shelter Program.

K. RESOLUTION 04-35: Approval of Funding Agreement for Middle Way House Domestic Violence Shelter Program.

L. RESOLUTION 04-36: Approval of Funding Agreement for Monroe County United Ministries Childcare Program.

M. RESOLUTION 04-37: Approval of Funding Agreement for Monroe County United Ministries Emergency Services Program.

N. RESOLUTION 04-38: Approval of Funding Agreement. for Mother Hubbard's Cupboard Food Pantry Program.

Jerry Hays moved to approved the resolutions. John Black seconded the motion. Resolutions 04-27, 28, 30, 31, 32, 33, 34, 35, 36, 37, and 38 were unanimously approved. **ADOPTED.**

O. RESOLUTION 04-39: Approval of Funding Agreement of the Grant Agreement for the Neighborhoods Through Revitalization (INTR) Program. Johnson explained that the Department applied for and was awarded a Planning Grant for an area in and around Crestmont. A resolution approving the grant is required. She said she and Abbott have a meeting scheduled with Strategic Development Group who is the consultant hired to help pull this plan together. She said they will have a better idea of where they are going to start the plan after the meeting.

Mike Gentile moved to approve the resolution. John Black seconded the motion. Resolution 04-39 was unanimously approved. **ADOPTED.**

P. RESOLUTION 04-40: Approval of the CDBG Administrative Budget.

Q. RESOLUTION 04-41: Approval of HOME Administrative Budget.

Johnson explained that Resolutions 04-40 and 04-41 are the administrative budgets for the CDBG and HOME grants. CDBG allows 20% of the grant for admin and HOME allows 10% of the grant for admin. She said this covers such things as salaries, benefits, office supplies, paper, etc.

Hays asked how Johnson how she puts together the admin budgets. She said she looks at what has historically been spent and what wasn't, then budgets accordingly.

Mike Gentile asked if staff could provide a tutorial on the claims process for the Commissioners. Johnson said she would do so.

Jerry Hays moved to approve the resolutions. Mike Gentile seconded the motion. Resolutions 04-40 and 04-41 were unanimously approved. **ADOPTED.**

R. RESOLUTION 04-42: Approval of S. Rogers Street Sidewalk Project. Woolford said that on the previous Friday the Department had a bid opening for the S. Rogers Street sidepath which starts at the IEC property just north of the creek then across S. Hillside down to Rockport Road. There were four bidders with Crider and Crider submitting the lowest bids.

Hays asked what part of the project this will pay for. Woolford said a storm sewer the length of the road and an eight foot sidepath with three to four feet of green space, and curbs. He said this

project will tie into another project the Department did a few years ago on Rockport. Woolford said they will probably be looking at doing something on Rogers from Rockport Road down to Country Club. Black asked who maintains the sidewalks. Woolford said Public Works does the maintenance.

West asked about the budget. Johnson explained that the Broadview project is not going forward so those funds as well as some program income will be transferred to the S. Rogers Street project. She said both projects serve the same clientele and same neighborhoods.

Jerry Hays moved to approve 04-42. Mike Gentile seconded the motion. Resolution 04-42 was unanimously approved. **ADOPTED.**

VII. OTHER BUSINESS/GENERAL DISCUSSION

A. Walter said the CAC process is beginning and two representatives from the Commission are needed to serve on the Physical Improvements and Social Service Committees. Jerry Hays gave a brief summary of what is involved in the CDBG funding process and encouraged the Commissioners to serve if they have not done so.

John West volunteered to serve on the Physical Improvements Committee and Mike Gentile volunteered to serve on the Social Service Committee.

VIII. ADJOURNMENT

It was moved and seconded to adjourn the meeting.

David Walter, President

Mike Gentile, Secretary

Date